



MINUTES OF THE EXTRA-ORDINARY MEETING OF KEMPSEY SHIRE COUNCIL

Friday 28th June 2002 commencing at 9.06am.

PRESENT:

Councillors J A C Hayes, (Mayor and Chairman), J H Howell, R J Bowen, T Hunt, P J Mainey, B R Sowter, and J Sproule.

General Manager, A V Burgess; Director Engineering, K J Finnie; Acting Director Environmental Services, K J Ward; Director Corporate and Community Services, T I Hannam; Director Business Enterprises, G B Snape, Pat Hanrahan and Beryl Hassett.



APOLOGY:

2002. 503

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Hunt*

That the apology submitted by Councillors P J Parkinson and N Joukhadar for non attendance at the meeting be accepted and leave of absence granted.



At this stage Mr Alex Purvis Regional Manager North Coast Environmental Protection Authority addressed Council regarding Environmental issues affecting Council.



DIRECTOR BUSINESS ENTERPRISES REPORT

DBE 1

ENVIRONMENTAL WORKS

FILE: S10-3 GBS

{Folio No. 236873}

SUMMARY:

Reporting on the need for Council to adequately resource its requirements relating to environmental works.



*THIS IS PAGE 1 OF THE FULL TEXT MINUTES OF THE EXTRA-ORDINARY MEETING OF THE
KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 28TH JUNE 2002*

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MAYOR

At Council's meeting of 11th June 2002 a report on recent meetings and correspondence with the Environmental Protection Authority (EPA) was presented to Council for information.

A copy of that report is attached at [\(Appendix A\)](#)

It was indicated that a further report would be presented at this meeting to address Council's resourcing requirements to promote and facilitate environmental compliance across a range of Council operations, but more specifically in relation to water and sewerage, waste, swimming pools, saleyards, caravan parks, depot, and airport.

It is clear that this area of Council responsibility is not adequately resourced to meet the increasingly onerous environmental requirements, both short-term and long-term.

For example, a review of the Budget for environment requirements within the waste service programs indicates that approximately \$700,000 remains currently unspent for 2001/02, with a further \$515,000 allocated for 2002/03. Significant waste services capital works programs will be ongoing.

To address these matters it is suggested that Council employ on a 3 year fixed term contact basis an "Environmental Outcomes Officer" at a salary package cost of approximately \$47,000pa.

The major responsibilities of the position would be –

- “1. *Project management and co-ordination of works programs relating to environmental issues*
2. *Preparing reports, submissions and communications for Council in relation to environmental issues.*
3. *Promoting awareness of environmental legislation and promoting commitment to environmental legislative compliance.*
4. *Development of a culture of proactive environmental management.*
5. *Reviewing works programs to ensure sound environmental outcomes result.*
6. *Highlighting Councils Environmental initiatives.*
7. *Consulting with a wide range of stakeholders on a wide range of issues.*
8. *Reporting and analysing statistics and benchmarks.*
9. *Marketing the Shires environmental initiatives locally, regionally, and nationally.*

10. *Researching and achieving relevant funding.*"

There are significant advantages to Council in employment of staff for these tasks as against the outsourcing to consultants whereby Council resources are required for project specification, administration and management.

Financial Implication

The cost of engaging a suitably qualified (Degree) person to fill the role of Environment Outcomes Officer would be approximately \$47,000pa (\$43,000pa + 9% Superannuation).

It is suggested that this cost be financed from the additional income to be received from 2002/03 Financial Assistance Grants.

In future years the cost of employment could be built into the Budget and recovered from garbage, trade waste, and rubbish tip fees, as well as other project costs (eg. Saleyards).

Director Business Enterprises Recommendation:

That Council include the sum of \$47,000 in the 2002/03 Budget for the employment of an Environmental Outcomes Officer on a 3 year contract.

2002. 504

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Bowell*

That Council employ an Environmental Outcomes Officer on a 3 year contract.



**DIRECTOR BUSINESS ENTERPRISES
SUPPLEMENTARY REPORT**

| | | |
|--------------------|-------------------------------|--------------------------|
| DBE 1 | ENVIRONMENTAL PROGRAMS | |
| FILE: S10-2 | GBS (NRN) | {Folio NO. 237054 |

SUMMARY:

Reporting on resources required to implement environment programs.



Further to the report "DBE 1 Environmental Works" of 28th June, 2002, I wish to draw attention to the requirement for Council to meet its commitment in having the Integrated Urban Water Management Plan (IUWMP) completed by June, 2003.

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MAYOR

Integrated Water Services Planning is a new initiative under the NSW Government Country Towns Water, Sewerage, and Drainage Program, and builds on the core principles of:

- The Governments Water Reform Package
- EP & A Acts integrated development appraisal, and
- The micro-economic reform policies contained in the National Competition Policy that relate to Local Government.

Within this context the proposed Urban Water Plan will take an integrated approach to the planning of Councils' water supply. Sewerage and stormwater services.

Under this umbrella lies the Shire-wide Effluent Management Strategy, which should provide us with a strategy for getting the best value for money on reusing effluent and satisfying all EPA discharge requirements. We have had pollution reduction programs suspended by the EPA until this plan is formulated. However the EPA appears to be running out of patience and intend abiding strictly to the June 2003 deadline agreed upon.

Council has engaged the DLWC to produce this plan but a significant amount of information is required from Council in the right format for them to be able to run their computer models, which produce it. We are having significant problems devoting adequate resources to this task and it is unlikely that we will meet the June 2003 deadline at the current rate of progress. A significant amount of the information is in CivicView but there are no programs to enable the data to be easily retrieved. New programs need to be written by IT staff. Other tasks are required including establishment of a 30-year Capital Works Program and budget, review of Developer Contributions, etc. At present we have one part-time person for 2 days per week working on extracting information from CivicView. This is not enough.

If the EPA and the Government, are adamant that the June 2003 deadline is to be adhered to Council will need to address the resourcing issue.

To undertake the strategy development tasks Council has the option of:

- a) Outsource to consultants, or
- b) Engage staff (fixed term contract).

The preferred option is for Council to manage the project through the engagement of an Environmental Strategy Co-ordinator.

Environmental Strategy Co-ordinator:

This position will focus primarily on co-ordinating the collection of data and material required to facilitate preparation of the Integrated Urban Water Management Plan (IUWMP) by the June 2003 deadline. If we don't tackle this in a serious manner now we will probably be in serious conflict with the EPA in 12 months time.

In the longer term, the final IUWMP will be a complex plan requiring detailed assessment of multiple options for effluent re-use schemes, biosolids disposal/re-use, water sharing entitlements and options for harvesting water, water trading, stormwater management, etc. Most of these options will require environment assessments and community consultations together with obtaining approvals from Government Departments such as EPA and DLWC. Government agencies, especially the EPA and DLWC are obviously applying increasingly strict requirements on Water Authorities and these are unlikely to diminish in future. It will be an ongoing and growing role of water utilities to conform to tighter and tighter regulations and reporting regimes.

Financial Implication

Council has received a grant of \$88,500 (50% of \$176,829) from DLWC towards the development of the strategy, and Council has allocated \$100,000 (2002/03 water fund) plus \$175,000 (2001/02 sewer fund).

2002. 505

RESOLVED:

*Moved: Cl. Howell
Seconded: Cl. Sowter*

That Council endorse the proposal to employ an Environmental Strategy Co-ordinator to undertake strategy development for the Integrated Urban Water Management Plan from funds provided in the Water and Sewer fund budgets.



GENERAL MANAGER'S REPORT

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| GM 1 | PERFORMANCE SALARY SYSTEM |
| FILE: S10-40 AVB (NRN) | {Folio No. 236874} |

SUMMARY:

Reporting on the current state of negotiations for a Performance Pay System.



As Council would be aware I have been negotiating with staff to introduce a performance pay system. The current award is skills based and does not allow staff to be rewarded for achieving agreed performance targets. Under a performance based system Council would be able to either provide services more effectively or be able to increase the level of services to its residents. Staff on the other hand would be able to be rewarded for their level of work performed.

A proposal is unlikely to receive the support of the Unions or the Industrial Relations Commission unless it can be shown that no employees will be disadvantaged by the new salary system.

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MAYOR

Attached [\(Appendix A\)](#) is a report to me from the Human Resource Manager outlining a number of options. VIZ: -

- Option 1 allows for all employees to obtain benefit as it is a dual pay system but those employees who are able to receive progression under the skills based system may not have the motivation to achieve high performance and could drag down the team. During the life of the agreement the skills based system would be absorbed.
- Option 2 would place all employees on the top salary step within their group. Council has provided approximately \$100,000 in the 2002/2003 budget for skills based progression. If Council were to adopt this option a further \$200,000 would need to be included in the budget. This increased cost would need to be recouped by productivity improvements.
- Option 3 is too expensive and shouldn't be considered.
- Option 4 is one of deferral and is relying on time to absorb the costs that would be incurred in option 2 or the introduction of more lenient legislation. However Council would miss out on the introduction of universal productivity improvements.

The preferred option is option 2 as this would allow the introduction of single performance based pay system.

If Council does not wish to make the financial outlay in 2002/2003 the introduction of option 1 should be considered.

This is a decision for Council. I do not have delegated authority to enter into any enterprise agreement or to alter personnel policies that would have significant ongoing implications for Council in terms of cost and service delivery.

Financial Implications

Council would need to provide an additional \$200,000 in the 2002/2003 budget to negotiate option 2.

General Manager's Recommendation:

For Council determination.

2002. 506

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Sproule*

That Council continue negotiations with the Unions for a Performance Based Salary System for consideration in the 2003/2004 Estimates.

SUMMARY:

Reporting on the requirements for Council to consider and adopt a Management Plan before 30th June 2002.



Section 406 of the Local Government Act, 1993, states:-

- “1. Before the end of each year, a council must adopt a management plan for the following year after it has been prepared and exhibited in accordance with this Part and any other matters it considers relevant.
2. In deciding on the final plan to be adopted, a council must take into consideration any submissions that have been made concerning the draft management plan prepared and exhibited in accordance with this Part.”

Council’s Draft Management Plan was on exhibition for a period of 29 days between 24th May 2002 and 21st June 2002 and written submissions relating to that Draft Plan were invited.

SUBMISSIONS:

Six (6) submissions from the general public have been received by the official closing date and the submissions can be dissected between a) rating and b) other issues. A copy of each submission received is attached at [\(Appendix B\)](#) (Note: should further submissions be received they will be presented at Council’s meeting).

a) Rating

Four (4) of the submissions refer to the level of rating. One submission refers to the fact that Council’s yield for 2002/03 will be 3.4% greater than the previous years yield whereas the gazetted increase was 3.3%. The submission point is factual and arises as a result of the allowable “Catch-up from Previous years” as detailed on page 66 of The Draft Management Plan. As detailed, Council is able to “catch-up” an amount of \$8261.

b) Other Matters – External

The other matters mentioned in the submissions cover a wide range of Council functions, being:-

- a) Flood Mitigation – Stock Floodway Mounds;
- b) Economic Development;

THIS IS PAGE 7 OF THE FULL TEXT MINUTES OF THE EXTRA-ORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 28TH JUNE 2002

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MAYOR

- c) Kempsey Town Master Plan Implementation;
 - d) 2nd Bridge Crossing at Kempsey;
 - e) Stormwater Drainage;
 - f) Environmental matters/sustainability; and
 - g) State of the Environment Report
 - h) Nursing Mothers Room – Kempsey CBD
- c) Other Matters – Internal
- a) Revision required to comply with Local Government Accounting Regulations.

Council is required to include in its Management Plan a summary of operating incomes and expenditures by type (e.g. rates, employee costs, depreciation).

The information is to be included in Council's annual financial statements and is reported against actual incomes and expenditures. (Note: All internal transactions are excluded from the summary. e.g Council rates on Council owned properties, Council tipping fees on Council activities).

The result of deducting total operating expenses from operating income is the surplus available to meet capital expenses from revenue. Capital expenses include asset purchases, loan principal repayments and transfers to reserves. (Note: A deficit result would indicate that Council is unable to meet its annual operating costs from its annual operating revenue).

The required document is attached at [\(Appendix C\)](#)

- b) Additional Sewerage Charges – Other Crown Land

The charge as shown in the Draft Management Plan is incorrect. It shows at the existing 2001/02 charge of \$458.00 and not the correct figure of \$470.00 for 2002/03.

Council's draft fees and charges document advertises the correct figure.

OTHER BUDGETARY CONSIDERATIONS;

Adjustments that have been identified since the adoption of the Draft Estimates include:-

Increase Income

| | |
|--------------------------------------|-------------|
| Financial Assistance Grants | 120456 |
| Commonwealth Training Grants | 25000 |
| Economic Development Officer Subsidy | <u>3000</u> |
| | 148456 |

THIS IS PAGE 8 OF THE FULL TEXT MINUTES OF THE EXTRA-ORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 28TH JUNE 2002

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MAYOR

Decreased Expenditure

| | |
|--------------------------------------|---------------|
| Councillors Allowance | 3375 |
| Mayoral Allowance | 105 |
| Aboriginal Trainee Program | 7000 |
| Security Lighting South Kempsey Park | 4500 |
| Parking Control Officer Car | 6000 |
| Roads to Recovery | <u>240000</u> |
| | 260980 |

Increased Expenditure

| | |
|----------------------------------------|-------------|
| Training | 25000 |
| Bushland Friendly Nursery Scheme | 1000 |
| Bushfire Brigade Contribution | 4719 |
| Public Address System Council Chambers | <u>1000</u> |
| | 31719 |

Decreased Income

| | | |
|-------------------------|---------------|--------|
| Roads to Recovery Grant | <u>240000</u> | |
| Net Affect | Saving | 137717 |

Council at it Works Committee held on the 22nd May, 2002, resolved that this meeting give consideration to an allocation of funds to tidy up the Depot. The Director of Business Enterprise also has a report to this meeting regarding the employment of an additional staff member to assist with the EPA work. There is also a report submitted to this meeting regarding the options available to Council regarding future salary systems

Financial Implications

The financial implications of the following recommendation would be that Council's budget results remain as per the Draft Budget Document, that is:-

| <i>Fund</i> | <i>Estimate Budget Results</i> | <i>Estimate Working Funds Surplus as at 30.6.03</i> |
|-----------------|--------------------------------|-----------------------------------------------------|
| <i>General</i> | <i>593 (s)</i> | <i>483553</i> |
| <i>Water</i> | <i>1502 (s)</i> | <i>544277</i> |
| <i>Sewerage</i> | <i>4862 (s)</i> | <i>1130288</i> |

General Manager's Recommendation:

- 1 That Council allocate the identified budget savings of \$137,717.

- 2 That the document "Summary of Estimated Financial Performance" be included in Council's Management Plan, subject to required variations resulting from item 1 of this recommendation.
- 3 That the 2002/03 Draft Management Plan as exhibited be adopted in accordance with the provisions of Section 406 of the Local Government Act, 1993, subject to the variations arising from item 1 of this recommendation.
- 4 That the Draft Management Plan be amended to provide for the additional sewerage charges for other Crown Land of \$470.00 pa. for each w.c or a cistern serving urinal.
- 5 That all persons who made a submission in respect of the Management Plan be thanked for their interest and contribution.

2002. 507

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Sproule*

- 1 That the document "Summary of Estimated Financial Performance" be included in Council's Management Plan, subject to required variations resulting from item 1 of the General Manager's recommendation.
- 2 That the 2002/03 Draft Management Plan as exhibited be adopted in accordance with the provisions of Section 406 of the Local Government Act, 1993, subject to the following variations arising from item 1 of the General Manager's Recommendation:-
 - a) \$47,000 be allocated toward Environmental Outcomes Officer
 - b) \$9,000 be allocated toward Civic Centre Security System
 - c) \$1,534 be allocated toward NSW Fire Brigade Contributions
 - d) the balance of identified savings be allocated to General Working Funds
 - e) \$40,000 be allocated from loan funds for a Nursing Mothers Room in the Kempsey CBD
- 3 That the Draft Management Plan be amended to provide for the additional sewerage charges for other Crown Land of \$470.00 pa. for each w.c or a cistern serving urinal.
- 4 That all persons who made a submission in respect of the Management Plan be thanked for their interest and contribution.

SUMMARY:

Reporting on the requirements for Council to make rates and charges for the year 1st July 2002 to 30th June 2003.



A rate or charge must be **made** before 1st August in the year for which the rate or charge is made.

Council's rating/charges proposals for the 2002/2003 year were advertised as required in the Draft Management Plan and no objections were received. Three general comments only were received. (Refer to the attachment to GM 2 of this meeting).

Council may now proceed to formally make the rates and charges as set out in the Recommendations below.

Financial Implications:

The proposed rates and charges are in accordance with Council's 2002/2003 Budget and Management Plan.

2002. 508

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Hunt*

That whereas Council has given public notice of its Draft Management Plan for the year 2002/2003, and has taken into consideration submissions made in respect thereof, it is now resolved:-

- 1 That the Base Amount plus Ad Valorem ordinary Rates as set out hereunder for the various categories and sub-categories of all rateable land in the area be now **made** for the year commencing 1st July 2002 pursuant to Section 494 of the Local Government Act 1993:-

| Category | Sub-Category | Base Amount | | Plus | Ad Valorem ¢ in \$ |
|-------------|--------------|-------------|--------|------|-----------------------|
| | | \$ Yield | % | | |
| Farmland | | 218.00 | 20.59% | | .6314 |
| Residential | Urban | 218.00 | 44.83% | | .6315 |
| | Non-Urban | 218.00 | 40.61% | | .6315 |
| Mining | | - | | | 1.4596 |
| Business | Kempsey CBD | - | | | 1.4596 |
| | Other | - | | | 1.4596 |
| | Mining | - | | | 1.4596 |

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- 2 That the following Domestic Waste Management Service charges be now made for the year 2002/03 pursuant to the provisions of Section 496 of the Local Government Act 1993:-

| Category | Charge per Annum |
|-------------|------------------|
| Weekly | \$115.00 |
| Fortnightly | \$ 95.00 |

- 3 That the following Commercial Waste Service charge be now made for the year 2002/03 pursuant to the provision of Section 501 of the Local Government Act 1993:-

Per single weekly service (240 Litre Sulo) \$112.00

- 4 That the Domestic Waste Management Service and the Commercial Waste Service charges be based on the number of separate occupancies or domiciles (whether actually occupied or not) contained within each rateable property for which the service is available.

- 5 That the following water charges be made pursuant to the provisions of Sections 501 and 502 of the Local Government Act 1993 for the period 1st July 2002 to 30th June 2003:-

a Base Charge

- I. an unconnected base charge of \$290.00 p.a.; and
- II. a connected base charge of \$412.00 p.a. to include an allowable consumption of 100KL per six months.

b Water Charges

- I. 69.0¢ per Kilolitre for all water consumed in excess of 100 kilolitres per six months up to 2500KL per six months, then
- II. 67.0¢ per kilolitre for all water consumed in excess of 2500KL per six months.

- 6 That the following sewerage charges be made pursuant to the provisions of Section 501 of the Local Government Act 1993 for the period 1st July 2002 to 30th June 2003:-

a Base Charge – Kempsey, Crescent Head and Lower Macleay Sewerage Areas

- I. A sewerage charge in respect of each unconnected chargeable assessment of \$246.00 p.a.
- II. A sewerage charge in respect of each connected chargeable assessment of \$470.00 p.a.

THIS IS PAGE 12 OF THE FULL TEXT MINUTES OF THE EXTRA-ORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 28TH JUNE 2002

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MAYOR

b Sewerage Charges – Kempsey, Crescent Head, and Lower Macleay Sewerage Areas

Charges in respect of additional connections of:-

Dwelling Units - \$470.00 for every additional dwelling unit.

Commercial, Industrial and Crown Premises - \$470.00 each WC or cistern serving urinal.

Hotels and Licensed Clubs - \$470.00 each WC or Cistern serving urinal.

Hotels and Motels (Accommodation Portion) - \$235.00 each WC or cistern serving urinal.

Holiday Flats (Multiple Occupancy Units excluding Strata Units) - \$235.00 each WC or cistern serving urinal.

Caravan Parks - \$70.50 per site.

Schools and Churches - \$211.50 each WC or cistern serving urinal.

Non-Profit Community based organisations - \$117.50 each WC or Cistern serving urinal.

Other Premises - \$235.00 each WC or cistern serving urinal.

c Hat Head Sewerage Area

A sewerage charge in respect of each unconnected chargeable assessment of \$246.00 p.a.

7 That where an assessment becomes rateable or chargeable for any of the above rates/charges during the year commencing 1st July 2002 that such rates/charge be levied on a pro-rated basis.

| | |
|------------------------------|-----------------------------------|
| GM 4 | 2002/2003 FEES AND CHARGES |
| FILE: A2-12 JCC (NRN) | {Folio No. 236877} |

SUMMARY:

Reporting on the advertisement of proposed 2002/2003 fees and charges with the Draft Management Plan.



THIS IS PAGE 13 OF THE FULL TEXT MINUTES OF THE EXTRA-ORDINARY MEETING OF THE KEMPSEY SHIRE COUNCIL HELD ON FRIDAY 28TH JUNE 2002

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MAYOR

As part of the Draft Management Plan, the proposed "2002/2003 Fees and Charges" document was exhibited and comments were sought regarding those fees and charges.

No specific comments were received resulting from the exhibition of Council's Draft Management Plan.

Financial Implication

The Fees and Charges proposed to be set by Council are the basis for the estimated incomes as shown in the 2002/2003 Budget.

General Manager's Recommendation:

That the Draft Schedule of Fees and Charges applicable as from 1st July 2002 to 30th June 2003 as attached to the 2002/03 Draft Management Plan be adopted.

2002. 509

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Hunt*

That the General Manger's recommendation be adopted with the addition of:-

That a fee of \$5 per permit for providing fire permits be included.

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|-----------------------------|-------------------------------------------|
| GM 5 | ANNUAL RISK MANAGEMENT HAZARD LIST |
| FILE: I3-2 PJH (NRN) | {Folio No. 236878} |

SUMMARY:

Reporting of the need to consider allocation of funds for potential risks identified on Council's Risk Management Hazard list.



As a result of Council's risk management program, many potential risks have been identified over the last number of years.

Many of these risk require long term funding to address, and it has not been possible to include provision for the necessary works within the sums voted by Council.

Set out at [\(Appendix D\)](#) is a list of these risk situations (not in any particular priority order).

Council's attention is drawn to these items so that it can formally:-

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MAYOR

a) identify which items (if any) it is able to allocate funds; and indicate that its financial position does not allow it to undertake the balance of the items on the list.

or

b) indicate that its financial position does not allow it to undertake any of the items on the list.

It should be noted that such a resolution will not guarantee immunity in any litigation as a court will base any decision on what it sees as a "reasonable" time to address these risk items.

Financial Implication

None of the items on the risk management hazard list are currently included in the 2002/2003 draft budget. Any such inclusion will affect the deficit or surplus of the proposed budget.

2002. 510

RESOLVED:

*Moved: Cl. Sowter
Seconded: Cl. Hunt*

That Council's financial position does not allow it to undertake any of the items on the risk management hazard list in 2002/2003.



QUESTIONS WITHOUT NOTICE

Councillor J H Howell

Councillor Howell was advised:-

File: A3-8 AVB (NRN)

{Folio No. 237063}

1 That the General Manager would investigate the content and wording of the 2003/2004 Management Plan so as to endeavour to make it more reader friendly.

Councillor B R Sowter

Councillor Sowter was advised:-

File: S8-24 GRP (NRN)

{Folio No. 237064}

1 That the possibility of appointing Mr Don Wallace to be a member of the Hat Head Sewerage Liaison Committee could be addressed at the next meeting of the Committee.

Councillor R J Bowen

Councillor Bowen was advised:-

File: LA1069 BWC (NRN)

{Folio No. 237065}

- 1 That the Director Environmental Services is investigating the work being undertaken at the back of Woolworths property which may affect drainage in the area.



CONCLUSION:

There being no further business, the Meeting terminated at 10.44 a.m.

